

EXHIBIT 24

Dorothy Poulsen

February 22, 2006

Seattle, WA

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

IN RE: PHARMACEUTICAL)
INDUSTRY AVERAGE)
WHOLESALE PRICE)
LITIGATION)MDL Docket No.
)Civil Action 01CV12257PBS

DEPOSITION UPON ORAL EXAMINATION OF
DOROTHY POULSEN

9:00 a.m

February 22, 2006

PERKINS COIE

1201 Third Avenue, #4800

Seattle, Washington 98101

REPORTED BY: Judith A. Robinson, CCR #2171

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1 be reimbursed our actual acquisition cost plus a fee
2 equivalent to the amount we receive for other state
3 facility prescriptions."

4 A. Right.

5 Q. Did you agree that the change to
6 reimbursement methodology from AWP minus 10% to
7 actual acquisition cost occur for MedManagement?

8 MR. LOPEZ: Object to the form.

9 THE WITNESS: Yes.

10 BY MS. O'SULLIVAN:

11 Q. Is it fair to say, that as of this time in
12 1997, you understood that AWP minus 10% did not
13 represent actual acquisition cost?

14 A. Yes.

15 Q. The court reporter has handed you Exhibit
16 Poulsen 004 Bates numbered MT018455, a 1-page
17 document dated July 30, 1997.

18 Is this a letter that you sent to Al Stark
19 of MedManagement?

20 A. Yes, it is.

21 Q. And comparing Exhibit Poulsen 003 to this
22 document has Exhibit Poulsen 004, is this your

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1 have been \$16 or, you know, between \$8 and \$16 per
2 prescription and we were paying \$4.20.

3 When we used our methodology to determine
4 what our dispensing fee should be, the amount we
5 came up with was invariably higher than what the
6 capped dispensing fee was. So virtually everyone had
7 the capped dispensing fee.

8 Q. Did you do the analysis that led to this
9 conclusion that the dispensing fee only covered one-
10 quarter to one-half of the cost?

11 A. I believe so.

12 Q. Do you know where those dispensing fees
13 are located at Montana Medicaid?

14 A. In a file folder.

15 Q. Who keeps that file?

16 A. The pharmacy program officer or in
17 archives. Or at this point in time, they may have
18 done many things differently. But at the time I was
19 doing it, it would have been in a file folder.

20 Q. Based on this analysis that you did in
21 Exhibit Poulsen 012, was it your understanding that
22 Montana Pharmacy would lose money on every drug it

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1 dispensed, unless it received some additional
2 reimbursement from Medicaid?

3 MR. LOPEZ: Objection.

4 THE WITNESS: That was my rationale for
5 paying them is AWP less 10%, rather than some other
6 amount, is that otherwise, they would not be paid
7 sufficiently to provide services to our clients.

8 BY MS. O'SULLIVAN:

9 Q. Was it your understanding that the
10 reimbursement methodology of AWP minus 10% was in
11 part intended to make up for the lack of
12 reimbursement for the dispensing fee?

13 MR. LOPEZ: Objection.

14 THE WITNESS: That was my assumption.
15 When I came into the position, this was a system
16 that was set up. This was how it was set up. What I
17 then tried to determine or figure out over the years
18 is why we would set things up this way. So that was
19 my understanding is we paid this way because -- I'm
20 not sure which is the chicken and which is the egg.
21 Did we pay a low dispensing fee because we thought
22 that they were making money on the drug? Or did we

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